

ONO's Value Creation Process

Be a Global Specialty Pharma, competing with original and innovative new drugs

Issues and Awareness of Business Environment

Issues Facing Healthcare

- Complex and advanced healthcare needs
- Aging population
- Improvement in access to healthcare

Issues Facing Society

- Harmonious coexistence of society and businesses
- Mutual prosperity of employees and businesses
- Diversity enhancement

Business Environment

- Progression of healthcare cost reduction measures around the world
- Tighter regulatory controls stemming from fundamental review of the NHI drug pricing system in Japan
- Increasing complexity of target diseases for drug discovery
- Decreased success rates of drug discovery
- Prolonged period/rising costs of new drug development

Capital to be Input

(2021.3)



Financial capital

A strong financial base that supports sustained drug discovery

- ▶ Total capital: **¥641.2 billion**
- ▶ Ratio of equity attributable to owners of the parent company: **85.1%**



Manufacturing capital

A manufacturing base that ensures stable supply of high-quality pharmaceutical products

- ▶ Capital investment: **¥9.1 billion**
- ▶ Manufacturing centers: **2**



Intellectual capital

R&D abilities based on ONO's unique drug discovery approach and open innovation

- ▶ R&D costs: **¥62.4 billion**
- ▶ R&D cost-to-revenue ratio: **20.2%**



Human capital

Providing a challenger culture and opportunities for personal growth

- ▶ Number of employees (consolidated): **3,607**
- ▶ Total training time: **116,110 hours**



Social capital

Various forms of partnership to create sustainable society

- ▶ Research collaborations conducted: **Approx. 200 projects (Japan & overseas)**



Natural capital

ECO VISION 2050 and environmental management

- ▶ Energy consumption: **103,204.3 MWh**
- ▶ Water resource consumption (water intake): **245,600 m³**

Corporate Philosophy

Dedicated to the Fight against Disease and Pain

Focusing limited management resources into drug discovery and development

In-house Drug Discovery

With focus on unique bioactivity, finding diseases against which drug candidates are most potentially effective, and taking up the challenge of discovering innovative drugs

Licensing Activities

Promoting expansion of our development pipeline and global marketing of new drugs we develop

Materiality (Important CSR Issues) ▶ P24

- Creation of innovative drugs
- Intellectual property strategies
- Assurance of product reliability and safety
- Promotion of human resource development
- Thorough compliance
- Implementation of responsible marketing and promotion activities
- Response to climate change
- Provision of a stable supply of products

in the global arena

- Globally increasing competition
- Increasing opportunity to achieve drug discovery innovations
- Expansion into the global market

Four Growth Strategies

Maximizing Product Value

▶ P29

Continuing actively driving R&D investment

Strengthening R&D

▶ P31

Discovery of innovative new drugs

Globalizing Business

▶ P35

Expansion of growth infrastructure

Strengthening Corporate Infrastructure

▶ P38

- Promotion of CSR procurement in supply chain management
- Strengthening corporate governance
- Building a work environment that ensures and sustains employment as well as fosters motivation

Output

(2021.3)



Securing stable earnings through drug discovery and addition of indications

▶ Revenue: ¥309.3 billion



Provision of a more stable supply by construction of Yamaguchi Plant



Expansion of development pipeline through in-house drug discovery and licensing activities

▶ Number of clinical trials conducted: 78 trials



Turnover rate, new employee retention rate

▶ Retention rate after 3 years of new employment: 96.6%



Improvement of access to healthcare



Reduction of environmental impact

▶ Greenhouse gas emissions (Scopes 1 + 2) reduction target (compared to FY2017): 12.6% reduction

Value ONO offers



To the frontline of healthcare

- Discovery of pharmaceutical products that bring true benefit to patients
- Stable supply of high-quality pharmaceutical products
- Information collecting/provision for proper drug usage



To society

- Contribution to economic development
- Contribution to the creation of a sustainable society



To shareholders and investors

- Stable return on investment through sustained growth
- Fair information disclosure



To employees

- Provision of opportunities for personal growth
- Creation of an environment where employees work with peace of mind